

"Oligarchology"

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In the times of the USSR, there used to be a science practiced in the West and referred to as Kremlinology. Many smart men closely watched the way the Politbureau "elders" sat in the Presidium, followed the order of signatures in necrologues, duration of "storming applause" following wishes of good health, and under-the-carpet fights in the Kremlin. The science had much in common with fortune-telling, though some analysts, like Allen Besanson, Roman Szporliuk and Martin Malea, did offer accurate political forecasts. However, the accuracy of the forecast did not allow most of them to predict the disintegration of the Soviet Union. Kremlinologists, ashamed, began trying to re-train to be specialists in issues of New Independent States. Deep in their hearts many of them are sorry that the Soviet Union collapsed, as their special skills are no longer in high demand.

Similar tendency waits for concepts that are currently taking shape of a sort of "oligarchology" in Ukraine and Russia. Highbrow egghead theorizing about oligarchs is good as long as it makes sense. If it does not work, we may observe "soft" eggheads at work instead.

I already wrote about simulation of "oligarchy", invented in Ukraine: a weird psychological dependence of some decision-makers and some political analysts on the Russian experience that suggests that the emergence of oligarchs in Russia necessarily means that the same phenomenon can be found here as well. Each of Russian oligarchies, past as well as present ones, controlled, or currently controls the raw material sector, usually dealing with exploration and extraction of, and trading in natural resources. For the purpose of serving and providing political security for themselves, oligarchies established, bought or hired banks, the media, found their lobbyists in the legislature and the executive authorities.

The situation in Ukraine is completely different: as everybody knows, the country's economy does not have powerful raw material sectors. Though, "oligarchy" is reported to occur: not real, but "verbal" (i.e., created through newspapers) or "virtual" (i.e., made with the use of video technology).

The proliferation of numerous "lists of oligarchs" - "of the most influential ones", as their authors like to emphasize - could be ignored, if not for the importance attributed to the "oligarchs" by the public opinion. Therefore, the lists must have a particular goal to serve, besides, of course, the authors' desire to show off.

Criteria for entering a name to the list of "oligarchs" are rather vague: they include control over a parliamentary faction or group, over the media, enterprises or branches of industry. However, should these criteria be followed, the list of "oligarchs" would include, in addition to "traditional" names, prime Minister Valery Pustovoitenko and ex-Minister of the cabinet of Minister Anatoly Minchenko, the "unsinkable" Anatoly Holubchenko (industry), Oleksandr Moroz, Yulia Tymoshenko, Yevhen Marchuk and Andriy Derkach (mass media), Petro Symonenko and Serhiy Dovhan (factions in the parliament), and a major group of people who have some influence on policy-making, economy and mass media. However, the lists offer the same names: Igor Bakay, Victor Pinchuk, Hryhory Surkis, Oleksandr Volkov, Vadym Rabinovich, and, for some reason, Pavlo Lazarenko. Deliberately or not, authors of those lists class those who strive for power as "oligarchs", argue that the "oligarchs" control over political structures, the industry and the media is dangerous. How well grounded are these fears? Political control

Some oligarchs are given strange comments: for instance, Victor Pinchuk is said to control the "probable" "Working Ukraine" group. I guess creators of "oligarchology" themselves are not quite sure how something "probable" can be controlled.

"Oligarchs", indeed, came to politics from business. So what? Many politicians worldwide used to be businessmen before taking offices in the legislature or the executive branch. Business owners worldwide hire lobbyists instead of going into politics directly to protect their interests. Sooner or later, Ukrainian businessmen will realize they simply do not have enough time to combine severe political struggle for particular legislation with coping with their business competitors. However, it is true that for that to become a reality, politics should stop being a business.

On the other hand, businessmen go into politics to promote their interests. The arrival of business circles into politics is not dangerous, provided they pursue goals that are beneficial for the society in general, as well as for them personally. While doing so, businessmen tend to go further and further from business and become more politicians than businessmen.

Is co-incidence of personal and public interests a utopia? Not at all. Consider cases of adoption of a progressive taxation legislation and bills that set the framework for charitable activities that are both in the interests of businesses and the society. What if there are "loop-holes"? Some will always be found, but that does not mean there is no need to adopt laws at all. Quality television, good football, quality goods are both profit-making and socially useful. In some cases, however, the opposite impact may be observed: consider, for example, the failure to adopt the bill on taxing real estate, which would affect primarily well off Ukrainians.

And, finally, it is maintained that "oligarchs" "buy" political parties, "pushing out" political romantics. However, anywhere in the world politics is a tough thing that does not tolerate too much emotions. If you don't like the heat, you won't be a cook. As any political process, the arrival of businessmen to political parties cannot be treated as an entirely positive or entirely negative phenomenon. It just exists. And, what is the value of a political party that can be simply bought? What is its political weight? And, who said that political parties cannot develop positively through activities of businessmen-turned-politicians?

There is only one criterion of an effective political party: whether voters vote for it or not in the time of elections, no matter whether there are former businessmen among its members or not. If the party is not elected to the parliament, it is doomed to die in its own political virginity. Meanwhile, ex-businessmen who come into politics are normally people who are not used to losing; gradually they begin to realize that in order to succeed they must employ political methods of dealing with voters - and those methods, in their turn, change ex-businessmen's approaches, views and practices. Recent elections of the mayor of Kyiv showed that it would be premature to ignore the administrative system's power which, having joined forces with competitors of those who are defined as "oligarchs", proved to be capable of opposing them. However, challenges to Kyiv remained unsolved: the city still needs investment, otherwise it will continue to deteriorate as a social structure.

Industry

It is assumed that "oligarchs" control everything, and that is the reason why economic reforms have failed. As any simplistic explanation, this one tends to add obscurity rather than clarity to the issue.

It is true that there are well-grounded doubts about the presence of transparency in the current privatization process, tenders, ways through which some control packages of shares have been obtained. It is true that the process of changing ownership of enterprises has taken too long.

Ukrainians know little about realities of privatization, for instance, in the Czech Republic and Hungary. In those countries attractive property was also privatized, in some cases not so "transparently", by the countries' own "oligarchs". However, after privatization they realized that their own capitals were not enough, and started negotiations with investors, reached agreements, and the countries received investments. Note, in some aspects it was more difficult to do there, than in this country - just think of the problem of property restitution. Imagine what would happen in this country if children and grandchildren of land owners, "kulaks", and of major entrepreneurs like Brodsky and Tereshchenko who managed to escape from the grip of the "Great October" would start claiming their property and land. However, unlike Ukraine, the Czech Republic and Hungary passed the privatization process at high speed, which was one of the ingredients of success of their reforms.

Therefore, there is nothing threatening in the fact that "oligarchs" obtain property and, importantly, receive the possibility to negotiate with potential investors as equals. Of course, that has nothing to do with "justice", but advocates of "social justice" in its traditional Soviet sense of making all equally poor and deprived of property may be referred to an English saying: justice is very easy to find: it is in every dictionary under "J".

The Media

It is assumed that control over the mass media by "oligarchs" is dangerous. However, most of warnings of danger are made by the media owned by competitors of so-called "oligarchs". For some reason, the fact that division of the media between competing financial-political groups gives a journalist a chance to choose the media outlet he/she likes and creates, in every particular case, acceptable relations between the owner and the creative staff, tends to be ignored.

The media freedom is not granted by understanding of the need for free media by media owners and journalists. Expecting that such "understanding" will happen one day is yet another kind of expecting a "miracle"; rather, it represents some journalists' efforts to justify their own fatalism and inaction. The media freedom can be achieved through corporate unity of journalists that results in mutual support between colleagues (which has always been, and will remain necessary) and the journalists' readiness to take a common position in relations with the owner. Does this sound utopian? Not at all. As any market, the market of journalists is limited, and the owner is normally unwilling to lose them - particularly those who are good enough. I know of at least one example, when managers and

journalists, in conditions of entire abuse by the owner, challenged him by putting it clearly: "either we or the oligarch" - and won!

"The Stockholm Syndrome"

There is some psychological dependence of hostages and those who captured them, some kind of "infatuation" of the hostages that makes them speak about their "terrorists" all the time. The unhealthy "infatuation" of "oligarch fighters" with their "oligarchs" also has its psychological explanation.

In every political system, there are winners and losers, those who - due to some objective or subjective reasons, skillful and inadequate use of political circumstances, and, finally, good luck or bad luck - won or lost. In every political system losers and failures never go quietly; they try to use every opportunity to blame their failures on the "ruling regime". For them, it would be suicidal to admit that they failed to use a favorable political moment and remained lagging behind. I guess many journalists tend to neglect the fact that many of present-day "oligarch fighters" came into politics after they failed in business or tried to win seats in the parliament but lost. And, if there were no "oligarchs", they should have been invented for the comfort and self-esteem of political failures. Though, I repeat, politics is a tough thing, not only in Ukraine. As the cannibal dictator Idi Amin used to say, "I won over my opponents. I ate them before they could eat me".

"It's Hard Being an Oligarch..."

Remarkably, those who are defined as "oligarchs" do not take an effort to defend themselves by protesting against the definition. I think for them the label of an "oligarch" appears to be a synonym of "influential", "respected", or probably, "tough". In fact, there is nothing pleasant in being branded as an "oligarch". Unfortunately, it is in the nature of our society to seek to define an "enemy" - be it an "oligarch" or a "member of family of the enemy of people" once in the past. Meanwhile, the "oligarchs" do realize that being defined as such means the risk of becoming a target once it comes to "releasing the steam". I do not suggest that the society should feel sorry for "oligarchs" or worry about their future - they are the people who can take care of themselves - but it is important to know what the situation is.

There was one attempt to create a real oligarchy, not a "verbal" or "virtual" one, in Ukraine. The example of Pavlo Lazarenko shows the attempt to establish control over performance of a state constitutional function, initially by the regional leader, then by the head of the government. Pavlo Lazarenko also showed another example - of inability to come to compromise that gradually developed into a diagnosis.

This "non-material" type of oligarchy, based on control over performing state functions, is still possible in Ukraine. Naturally, the legitimate leadership sensed a threat to itself and terminated the oligarchy.

In this sense the Ukrainian type of oligarchy is closer to Indonesian, rather than to Russian or Latin American types. However, it is hard to think that Ukrainian "oligarchies" will face the same end as the Sukharto oligarchy - revolution, collapse of all businesses, loss of all investors.

To be exact, in Ukraine "oligarchs" do not make the "king"; instead, the "king" appoints and terminates "oligarchs" by means of using his legitimate powers. Vadym Rabinovich's apocalyptic lament "give a hundred dollars to the oligarch" may be demonstrative in this sense, though today Mr. Rabinovich does have his hundred dollars. However, Mr. Rabinovich cannot be sure if he will have those hundred dollars tomorrow. He cannot be sure of many other things either.

To a major extent, it depends on the President's decisions alone whether we will remain stuck at the level of "willful decision-making" or will work towards creation of a Ukrainian strategic elite instead of crafting some individual "gear". Elections have little impact on formation of such an elite, as there is no guarantee that the winner of the October 1999 presidential race will not practice the "king and his oligarchs" methods of performance. For the whole variety of reasons, sudden revelations and disclosures produced by Leonid Kuchma's competitors can hardly be treated as such. Meanwhile, there is only one alternative to the emergence of the country's strategic elite: deliberate, strategic increase in numbers of impoverished, disillusioned and agitated underprivileged class. The result has already been experienced by then young capitalist country at the beginning of this century.

Creation of a strategic elite is beneficial for all actors of the society, "oligarchs" included. Being rich plus being an oligarch is dangerous and lacking prospects. Being rich and a member of an influential political elite is pragmatic. Belonging to an elite means, first of all, ability, good will and, if needed, enforcement of peaceful co-existence.

Until that happens, the current generation of self-styled "Kremlinologists", the "Oligarchologists" will seek and find new interpretations and explanations for why things go "as they were expected to" or "as they had to". Which, after all, will not prevent them from making a slight error - like not noticing a Berlin Wall coming down.